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- -- TE 100 ME TATE TELLITE EDICH ALIE JE BEIL OR C. S. LAW ENTOSCENIES ACCOUNTS, DECOMED AN ACTIONS BY S. DARF OF ECONOMISCO OLSE TO POSTSTAGE BILLTAN ELECTRICAL COMPOSITS CI-D IS CHEIR ....
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3. TERRIOR TO THE CCC PROGRAM PERCENTAGE TAID OF WILD CLES COLLEGE E. E. BERT WEIRA WIRA SOLLER SCOOL COTES THE PEOCEST. ME-PASSES SAID BE BED SPORTE TO WIDE BUT CROVOLE OF THE ISSUE. HE CHOCKESTOON THERE WERE THEEL

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P tacond not let teen affect economic attentions. Het attomb TRANCAL. IF ANY OF THE PRODUCTS BECKS, THE PROSESS CAN MIVETE BE STOPED. EL-MASKAT SAID AT BES ESTATED CUE REDUCTS FOR A PRETING WITH IRRAD COFFICIALS OF THE The second of the second secon

> 1. INSESSE SECREDAD WILL BE TAKENG THE SAND DEMACKE OF . INT MACHEN INTEGERS' MILE INT LESTONING CHWECT 10-141. LIDE RENGISE MADE AFTER THE ARBICTRESTE MERE BUSEALED:

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# TRANSCRIBED COPY FOLLOWS

SUBJECT: UNDER SECRETARY ACCORDANCE MEETING WITH IRAQI AMBASSADOR, MARCH 22, [ILLEGIBLE]: NUCLEAR TRIGGERS AND CCC

REF: STATE [ILLEGIBLE]

1. SECRET ENTIRE TEXT

- 2. TAKING ADVANTAGE OF A PREVIOUSLY SCHEDULED MEETING MARCH 22, UNDER SECRETARY MCCORMACK MADE A DEMARCHE TO IRAQI AMBASSADOR ALMASHAT ON THE IRAQI ATTEMPT TO SMUGGLE MUNITIONS LIST ELECTRICAL COMPONENTS FROM THE U.S. HANDING AL-MASHAT A TEXT OF THE PRESIDENTIAL STATEMENT ON THE ISSUE (PARA 8), MCCORMACK MADE THE FOLLOWING POINTS WHICH HE HANDED AL-MASHAT AS A PAPER.
- -- AS YOU ARE AWARE, BRITISH CONTACT, WITH THE HELP OF U.S. LAW ENFORCEMENT AGENCIES STOPPED AN ATTEMPT BY A GOVERNMENT OF IRAQ ORGANIZATION TO [ILLEGIBLE] TO IRAQ MILITARY ELECTRICAL COMPONENTS OF US ORIGIN.
- -- THE ITEMS IN QUESTION HAVE A NUCLEAR WEAPONS APPLICATION , AND ARE ON OUR MUNITIONS CONTROL LIST.

POLICY IS NOT TO GRANT LICENSES FOR EXPORT OF MUNITIONS LIST ITEMS TO IRAO. IN ANY CASE, THE LICENSES WERE APPLIED FOR.

SUCH AN ACTION WILL CLEARLY HAVE AN ADVERSE EFFECT ON IRAQI RELATIONS ACROSS THE BOARD.

- -- I WOULD LIKE TO REITERATE OUR STRONG OPPOSITION TO NUCLEAR PROLIFERATION. THIS IRAQI ACTION CAN ONLY [ILLEGIBLE] U.S. TRUST ON IRAO'S SINCERITY IN LIVING UP TO ITS COMMITMENTS.
- -- WE REMAIN COMMITTED TO AN EFFORT TO IMPROVE RELATIONS WITH IRAQ FOR OUR MUTUAL BENEFIT, BUT THAT REQUIRES RECIPROCAL EFFORTS ON IRAQ'S PART. WE ARE DEEPLY DISPLEASED THAT IRAQ HAS NOT CONSIDERED THE IMPLICATIONS OF COMMITTING SUCH ACTIONS ON US SOIL. WE WILL TAKE WHATEVER ACTION IS REQUIRED TO ENSURE THAT THE LAWS OF THE UNITED STATES ARE [ILLEGIBLE]
- 3. AL-MASHAT ASKED IF WE ARE SURE THE COMPONENTS HAVE A NUCLEAR END-USE AND THAT THE GOI WAS INVOLVED. MCCORMACK ASSURED THAT WE WOULD NOT BE MAKING THE DEMARCHE OTHERWISE. MCCORMACK ADDED THAT THE ADMINISTRATION [ILLEGIBLE] WANTS IMPROVED RELATIONS, BUT SUCH INCIDENTS ARE LIKE "GASOLINE ON A FIRE."
- 4. AL-MASHAT DID NOT RESPOND TO THE DEMARCHE DIRECTLY. HE NOTED IRAQ HAS MADE A FIRM DECISION TO IMPROVE RELATIONS WITH THE U.S. HOWEVER, IRAQ HAD CERTAIN MISGIVINGS ABOUT RECENT U.S. STATEMENTS AND ACTIONS AND IS VERY SENSITIVE REGARDING ITS INDEPENDENCE AND SECURITY. SADDAM HUSSEIN'S SPEECH IN AMMAN QUESTIONING THE U.S.

PRESENCE SHOULD BE READ AS AN EXPRESSION OF ANXIETY IN THE CONTEXT OF U.S. SALES OF PATRIOT MISSLES TO ISRAEL AND ENCOURAGEMENT OF SOVIET JEWISH EMIGRATION TO ISRAEL. AL-MASHAT SAID HE WILL FORWARD OUR DEMARCHE TO HIS GOVERNMENT, BUT WE SHOULD NOT LET "CLOUDS", INCLUDING THE SMUGGLING INCIDENT, AFFECT OUR MUTUAL CONFIDENCE. MCCORMACK RESPONDED THAT NUCLEAR TRIGGERS ARE NOT SIMPLY CLOUDS. WE VIEW THE INCIDENT WITH THE GREATEST SERIOUSNESS, AND IT IS EXTREMELY DANGEROUS FOR BILATERAL RELATIONS.

- 5. TURNING TO THE CCC PROGRAM MCCORMACK SAID WE NEED IRAQI COOPERATION WITH AGRICULTURE'S INVESTIGATION INTO THE PROGRAM. AL-MASHAT SAID HE HAD SPOKEN TO USDA U/S/ CROWDER ON THE ISSUE. HE UNDERSTOOD THERE WERE THREE PROBLEMS: SOME SALES OF CORN AT DOLS 20 PER TON OVER THE WORLD MARKET PRICE, REQUESTS FOR AFTER-SALES SERVICE, AND IMPOSITION OF A STAMP TAX ON SOME SALES. THE IRAQIS, HE CONTINUED, ARE DISTRESSED AT THE FIRST AS EITHER THEY ARE BEING GYPPED OR THERE IS CORRUPTION AMONG IRAQI OFFICIALS. AL-MASHAT ADMITTED IRAQ USED TO ASK FOR AFTER-SALES SERVICE, STANDARD PRACTICE IN IRAQ BUT AL-MASHAT HAD PUT A STOP TO IT, AND IT WILL NEVER HAPPEN AGAIN. AS TO THE STAMP TAX, CROWDER HAD ADMITTED THAT NO SUPPLIER EVER PAID IT.
- 6. AL-MASHAT SAID THAT IF THESE ARE THE PROBLEMS, WE SHOULD NOT LET THEM AFFECT ECONOMIC RELATIONS. THE SECOND TRANCHE OF THIS YEAR'S CCC PROGRAM WON'T BE THE LAST TRANCHE. IF ANY OF THE PROBLEMS OCCUR, THE PROGRAM CAN ALWAYS BE STOPPED. AL-MASHAT SAID HE HAS RELATED OUR REQUEST FOR A MEETING WITH IRAQI OFFICIALS ON THE PROBLEMS. HE IS WAITING FOR WORD FROM BAGHDAD.
- 7. EMBASSY BAGHDAD WILL BE MAKING THE SAME DEMARCHE ON THE NUCLEAR TRIGGERS WITH THE FOLLOWING CHANGES TO THE LIDE MEMOIRE MADE AFTER THE INDICTMENTS WERE UNSEALED:
- -- FIRST SIC: "ON BEHALF OF REPLACES [ILLEGIBLE] ORGANIZATION
  -- SECOND SIC: STARTS OFF "OUR PARTICULAR CONCERN IS THAT".
  -- FIFTH SIC: "CAUSING THE ILLEGAL EXPORT OF MUNITIONS LIST ITEMS
  FROM THE U.S." REPLACES "COMMITTING SUCH ACTIONS ON U.S. SOIL."
- THE ARREST OF IRAOIS IN LONDON RAISES ONCE AGAIN ADMINISTRATION'S DEEP CONCERN ABOUT THE ISSUE OF PROLIFERATION IN THE MIDDLE EAST. NUCLEAR PROLIFERATION, ALONG WITH THE PROLIFERATION OF CHEMICAL AND BIOLOGICAL WEAPONS INTERMEDIATE RANGE MISSILES, CONTINUES TO POSE SERIOUS THREATS TO U.S. INTERESTS, AS WELL AS THE INTERESTS OF OUR FRIENDS IN THE REGION. THESE PROGRAMS ONLY SERVE TO [ILLEGIBLE] REGIONAL TENSIONS AND EXACERBATE REGIONAL PROBLEMS.

WE AGAIN CALL UPON NUCLEAR SUPPLIERS TO EXERCISE SPECIAL RESTRAINT IN PROVIDING MATERIALS RELATED TO THE DEVELOPMENT OF NUCLEAR, CHEMICAL AND BIOLOGICAL WEAPONS AND INTERMEDIATE RANGE MISSILES IN THIS VOLITILE AREA. FURTHERMORE, WE URGE ALL STATES IN THE AREA TO ADHERE TO THE NON-PROLIFERATION TREATY. IRAQ IS A SIGNATORY OF THAT TREATY. IRAQI OFFICIALS ARE WELL AAWARE OF OUR VIEWS ON NUCLEAR PROLIFERATION WHICH WE HAVE MADE CLEAR ON SEVERAL

#### OCCASIONS.

9. FOR GENEVA: THE BRITISH HAVE INFORMED US THEY INTEND TO CONVENE A "MEETING OF THE WESTERN GROUP AT THE [ILLEGIBLE] DISCUSS THIS ISSUE AS SOON AS POSSIBLE. YOU MAY DRAW ON THE SUBSTANCE OF THE U.S. DEMARCHE AND THE PRESIDENT'S STATEMENT IN THESE DISCUSSIONS. BAKER